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February 28, 2019

Mark Martin, Principal Consultant  
California State Capitol  
State Capitol, Room 6026  
Sacramento, CA 94249

**Subject: Revising the "Student Centered Funding Formula" to Incentivize Student-Focused Outcomes**

Dear Principal Consultant Martin:

The Academic Senate for California Community Colleges (ASCCC) has a well-established position opposing performance-based funding based on the lack of evidence for its effectiveness, the potential impact on academic rigor, and concerns regarding the incentives it creates. Indeed, the California Community College System as a whole rejected the concept of performance-based funding through the legislatively-established Student Success Task Force in 2011, with a majority of the task force concluding that "the lack of national evidence demonstrating that outcomes-based funding made a positive impact on student success was an important factor in their decision to reject implementing outcome-based funding at this time." At the present time, when colleges are in the midst of the institutional transformation required by the implementation of guided pathways and reworking the delivery of English and mathematics courses in response to AB 705, the Student Centered Funding Formula (SCFF) introduces a new pressure on the colleges as they consider how to maximize the apportionment they receive in order to fund the changes already underway.

That said, if the state wishes to continue performance-based funding, the ASCCC has three requests to improve the formula:

1. Level the point system for associate degree awards so that all educational goals and achievements of comparable unit values are counted equally.
2. Award colleges only once per year per student for the highest award achieved as a means of prioritizing per-student success, as opposed to incentivizing maximizing awards more generally.
3. Keep the performance metric portion set at 10% of the total allocation to ensure funding stability and to support college exploration of how best to serve students.

Currently the SCFF incentivizes the granting of an Associate Degree for Transfer (ADT) over other degrees of a comparable unit value without consideration of how individual students would benefit from the awards. The mission of serving 2.1 million students with a multitude of backgrounds and aspirations necessitates a diversity of awards to assist students in achieving their goals, whether transfer-focused or career-oriented. The point system enacted under the current formula prioritizes ADTs over all other associate degrees, effectively creating a value hierarchy. However, what is valuable to one student may not serve another. Not all students who enter the community college system have a goal of transfer, and thus local degrees designed for career-technical fields or as non-transfer degrees in academic areas are more appropriate and useful for many students. In addition, in some disciplines certain universities may prefer a locally-designed degree over an ADT. Equalizing the points associated with all associate degree awards will signal the value of all educational goals, ensuring that the focus remains on supporting every student.

Under the current formula, colleges are effectively encouraged to focus on maximizing the quantity of awards made without due consideration of the success of individual students. This practice places greater value on ensuring the repeated successes of a few students over ensuring that every student's educational goal is prioritized. For example, colleges

that increase their “throughput” as a consequence of the implementation of AB 705, yet find that failing students are less likely to return, can correct for the lost student population by ensuring that each student maximizes the awards he or she receives. Colleges that are concerned about having sufficient funds to effectively support students in achieving their goals may view any strategy that yields more awards to be acceptable, regardless of any evidence of a value or benefit to students. In fact, dedicating resources to the support of students who have a lesser likelihood of success might be seen as a fiscal negative in comparison to focusing on students who are more likely to succeed and thus earn points under the SCFF—a perspective that would not only run counter to the goal of promoting success for all students but that might well disproportionately disadvantage non-native speakers and traditionally underserved students. A concern for both student success and for equity, both in terms of ethnic background and of educational programs and goals, necessitates changes to the current SCFF formula.

The various opportunities for awards offered by colleges may each in themselves be both academically legitimate and valuable to students, and maintaining this diversity of awards is important. However, many, if not most, colleges permit students to earn multiple degrees and do not require that the degrees differ by some minimum component. In other words, the earning of multiple degrees in many cases does not signify differentiate accomplishments. A student at a college with a local degree in a specific social science, an ADT in that specific social science, and a local degree with a social science area of emphasis would likely be able to earn all three degrees within the 60-unit ADT limit. This outcome may well be achieved in addition to a certificate of achievement for completion of a transferable general education pattern, and such opportunities for completion of overlapping awards are present in the curriculum of the colleges. Prior to the institution of the SCFF, this situation was not an issue, as colleges had no reason for encouraging students to pursue multiple duplicative awards. The current incentive structure, however, gives colleges reason to offer and even to create redundant certificates and degrees. If curriculum is introduced for the sole purpose of being able to issue an award that impacts the college’s income, the state runs the risk of diminishing the integrity of all awards. The problem lies not with the curriculum structure or processes or with the awards themselves, which may indeed each have merit on an individual basis; rather, the difficulty is in the SCFF’s practice of rewarding and even encouraging duplication of awards that, while individually legitimate, in combination do not have additional value. A change to the formula that would award colleges only once per year per student for the highest award achieved would address this issue and protect the integrity of community college awards and curriculum.

The SCFF’s emphasis on the counting of certificates of achievement of a minimum of 16 units and degrees awarded has already resulted in various predictable proposals or actions at the colleges:

1. Auto-awarding of certificates and degrees, which may in some cases negatively impact students’ financial aid or be undesirable to students for other reasons if appropriate precautions are not in place
2. Pressure to increase certificates that are less than 16 units to be a minimum of 16 units, which may in some cases encourage students to complete unnecessary coursework.
3. Re-instituting “GE-compilation” degrees that basically award a degree for completing both the local general education pattern and a transferable general education pattern, which are in most cases redundant awards with existing discipline-specific or area of emphasis degrees.

In each of these cases, the specific practice or award may be legitimate and valuable if implemented properly and for curricular or academic reasons. However, the SCFF encourages colleges to make these decisions for economic, not educational, purposes, and in such circumstances the integrity of the awards is placed into question as the goal of serving students’ academic needs is pushed to the background. If the intent of the funding formula is to reward colleges for improving the student experience and facilitating students’ achievement of their goals, the funding formula must be modified in order to ensure it is doing that rather than merely rewarding college creativity.

While colleges may appropriately be identifying mechanisms to recognize student achievement of

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milestones as they move towards their ultimate goals, financially incentivizing the conferring of awards as a means of maximizing funding is not consistent with the ultimate goal of increasing student success and accurately measuring student success. This potential outcome that is detrimental to students is one of the many reasons that ASCCC continues to stand firmly behind its opposition to any form of performance-based funding.

Finally, holding the performance metrics to 10% of the overall allocation would offer to colleges the stability necessary to implement the myriad initiatives and structural changes requested by the legislature over the last several years. The resources and energy of the colleges has been consumed in recent years and continues to be consumed by legislative and system-wide mandates such as changes to student placement and advancement in English and mathematics under AB 705 (Irwin, 2017), the implementation of a guided pathways framework, the ongoing development of adult education and non-credit programs under AB 86 (2013), and various other initiatives. Add to these demands the various concerns, both economic and curricular, regarding the SCFF, and colleges are in a period of tremendous uncertainty and change. Questions and issues regarding the implementation and the effectiveness of the SCFF need to be explored and addressed before any changes to the formula are implemented.

While some modifications have been made to the SCFF to try to mitigate negative budget implications, keeping the performance-based component at 10% would help to minimize concerns and would allow colleges and the system as a whole to develop a thoughtful and effective implementation of the formula. The modifications outlined in this proposal serve to not only increase budget predictability locally, but also centrally; presently, the potential exists for a college to earn more additional funding than the state could provide.

In short, multiple concerns and questions exist regarding the potential negative effects of the SCFF on students and the fact that, as constructed, the formula prioritizes awards over students. A relatively easy fix to these issues would be to equalize the points for all associate degree awards, to limit the number of awards counted to the highest award per year per student, and to hold the performance metrics to 10% of the overall allocation. If the Student Centered Funding Formula is truly to benefit all students, then the state must address these issues and make the necessary changes that will allow the California Community College System to implement the formula in ways that place student success, not the multiplication and counting of awards, at the forefront of all decisions.

Sincerely,

A handwritten signature in black ink that reads "John Stankas". The signature is written in a cursive style with a large, stylized initial "J".

John Stankas,  
President

cc: Olgalilia Ramirez, Consultant, Senate Committee on Education  
Jeanice Warden, Chief Consultant, Assembly Committee on Higher Education